BSF and Coast Guards, who are deployed on land and coastal borders have been vested with the powers under the Customs Act to interdict narcotics drugs on the border in addition to the Central and State Government enforcement agencies empowered under the NDPS Act.

**Loans given to rural and urban sectors**

82. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) what are the details of loans/advances given to the rural sector and urban sector of the country during the last five years;

(b) whether it is a fact that the loans given to rural sector are less in proportion to the deposits made by the sector in the banks; and

(c) if so, the reasons therefor and what steps are being taken by Government to give more loans to rural sector in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Details of deposits and credit of all scheduled commercial banks including Regional Rural Banks in respect of rural sector as compared to the total during the last five years ending March, 1990 to 1994 is given in the Annexure. (*See* Appendix 173, Annexure No. 4.)

(b) and (c) The share of Rural Sector in total commercial banks' credit declined from 15.4 per cent as at the end of March, 1990 to 13.9 per cent as at the end of March 1994, while the share of deposits showed a marginal decline from 15.3 per cent to 15.0 per cent during the same period.

The Reserve Bank of India (RBI) has asked the commercial banks to formulate specific plan for the year 1994-95 for increasing credit deployment to agricultural sector. The Reserve Bank has also directed the commercial banks to comply with the stipulated 18 per cent lending to the agriculture under the priority sector. Besides, the cash credit system facilities have been extended to agricultural sector. The Reserve Bank has enhanced the existing credit line to NABARD for providing re-finance support to the rural sector. A committee was set up under the Chairmanship of a Deputy Governor of the Reserve Bank of India to suggest measures to strengthen the Integrated Rural Development (IRD) Programme. The Committee has since submitted its interim report. These initiatives are expected to improve flow of credit to the rural sector.

**New Bank Branches in Backward/Rural areas**

83. SHRI IQBAL SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to open new branches of banks in the backward/rural areas of the country;

(b) if so, what are the details thereof, district-wise;

(c) if not, the reasons therefor; and

(d) what concrete steps Government propose to take to improve the performance of rural banks in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) to (c) Reserve Bank of India (RBI) has reported that under the branch expansion plan (1990-95) for rural areas, it is left to the judgement of individual banks to identify poten-

tial centres/villages for opening of additional rural branches in the respective service areas of their rural branches. On the basis of centres identified by the banks and recommended by the concerned State Governments, 264 centres were allotted to banks for opening of their branches in various States. Further, fresh proposals for opening of additional rural branches at centres/villages falling within the service area of the applicant banks and which are duly recommended by the concerned State Governments are also considered by RBI. Due weightage is given to the special needs of backward/hilly tribal/sparsely populated areas. Information regarding district-wise branches opened/allotment made in rural areas under the branch expansion plan 1990-95 is being collected and will be laid on the Table of the House to the extent possible.

(d) Presumably, the Hon'ble Member refers to the steps taken to improve the Regional Rural Banks (RRBs) in the country. With a view to improving the viability of RRBs in the short term, a package of measures were announced by RBI in December 1993. 49 RRBs have been identified for comprehensive restructuring during 1994-95 as announced in the Budget Speech of the Finance Minister on 28th February, 1994. The experience with these 49 RRBs will guide the approach in later years to the other RRBs. The objective is to transform presently weak and ailing RRBs into financially viable and effective instruments of decentralised rural banking.

Further, RBI has allowed in January 1995 the RRBs to make investment of their non-SLR surplus funds in specified profitable avenues after meeting their target group and service area obligations. With a view to increase the avenues for expansion of credit, RRBs have been permitted to deploy a part of their surplus non-SLR funds in the credit portfolio of their sponsor banks through non-risk sharing participation certificates to be issued by the latter.

**Impact of new Economic Policy on rural economy**

84. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have analysed the impact of new Economic Policy on rural economy, particularly on the farmers; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Growth in agricultural production and incomes has been quite good in recent years. Agricultural crop production rose by 4.1 per cent in 1992-93 ,and 2.2 per cent in 1993-94 and is again estimated to have increased by 2.2% in 1994-95. There has also been a massive increase in the Central Plan allocation for Rural Development to Rs. 7010 crores in 1994-95 Budget. However, it is too early to assess the impact of the new economic policy on the rural economy.

**Opening of new bank branches**

85. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to open new branches of banks during the current year of 1994-95; and

(b) if so, the State-wise details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Under the Branch Expansion Programme (BEP) for 1990-95 year-wise targets are not allotted to banks for opening branches. However, under the Branch Expansion